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Covert Israeli Spy Unit Linked to Pollard Case

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JERUSALEM—Behind the affair of a U.S. Navy intelligence analyst accused of selling defense secrets to Israel is a little-known Israeli intelligence operation serving the Ministry of Defense, The Times has learned.

The operation is outside the traditional Israeli intelligence community and functions particularly to gather scientific and technical information.

It includes an office known by its Hebrew acronym as LEKEM and is headed by a famous career Mossad agent who was an adviser on terrorism to two previous Israeli prime ministers. While he lost the latter post when the national unity government took office last fall, the official is technically still attached to Prime Minister Shimon Peres' bureau.

Independent Operation

The picture that has emerged from contacts over several days with a number of sources—both official and unofficial, Israeli and non-Israeli—is one of an independent intelligence operation that grew and became an accepted annex to the five organizations that make up the traditional Israeli intelligence community.

Those five organizations are Mossad, the Israeli CIA; Shin Bet, the Israeli FBI; Military Intelligence; the Research Bureau of the Foreign Ministry, and a police intelligence unit.

While the independent intelligence operation enjoys a sizable budget and supplies regular reports

to top Israeli officials, sources in Israel stressed that there is no evidence that any ministerial-level official was aware that among its sources was Jonathan J. Pollard, the American arrested for espionage last week in front of the Israeli Embassy in Washington.

A Foreign Ministry statement released last Sunday said that "Israel's political leadership received with shock and consternation" reports of what it said would be a deviation from a longstanding policy against such intelligence-gathering in the United States.

Officials here said that the statement was intended to deny any high-level political involvement in the affair. The officials said an investigation into the incident is continuing, but there has been no additional government comment since Sunday.

In Washington, U.S. officials continued to say publicly that they are awaiting a full report from Israel. But privately, some sources expressed skepticism that high-level Israeli officials would not have known of Pollard's activities.

Underlining the extreme sensitivity of the Pollard affair in Israel, sources said that Prime Minister Peres, Defense Minister Yitzhak Rabin and Foreign Minister Yitzhak Shamir have been meeting daily to review the internal investigation.

The essential elements of the case are now believed to be clear to the three, but they are said to be hesitating about any public disclosure, owing in part to the danger of domestic political fallout.

In an Israeli television interview Thursday, Peres refused to provide details on the investigation and said that it is taking so long because "there is a need to do things thoroughly, without nervousness and with full responsibility." He added that "any conclusions that will be drawn from the affair will be designed to prevent future hitches."

His comments suggested that contrary to earlier reports, there may be no public punishments dispensed to those found responsible for the affair.

The Foreign Ministry statement released Sunday pledged that if any "deviations" were discovered, "the necessary conclusions will be drawn"—an Israeli euphemism that has traditionally meant heads would roll.

While joined for the last 14 months in an uneasy coalition, Israel's two major political blocs—the centrist Labor Alignment and the rightist Likud Bloc—are bitter rivals, and some officials would like to use the Pollard affair for political gain. Complicating the picture, however, is the fact that a key figure in the case—former Mossad operations chief Rafael Eitan—has served under both Likud and Labor prime ministers.

Also, Israeli officials are said to be worried about possible damage to the country's vital intelligence community. "Israel can't afford to do to its (intelligence community) what America did to its CIA," one source said.

In Washington, U.S. intelligence officials said the Israeli expressions of shock over the Pollard affair give the government "plausible deniability" of knowledge of the affair but have left the Americans unconvinced.

"Eitan was a terrorism expert for (former Prime Minister Menachem) Begin. He recruited Pollard. He couldn't have done so without the knowledge of the prime minister of the country," said one U.S. official who spoke on the promise of anonymity. "All this about the

(Israeli) politicians not knowing is ridiculous. Of course they knew."

That official said the Americans are confounded that the Israelis took "an extraordinary risk" of embarrassment for the data Pollard provided.

Adm. Bobby R. Inman, former director of the National Security Agency and former deputy director of the CIA, said Wednesday night on the ABC-TV program "Nightline" that he thought it plausible that Peres did not know Pollard's identity. But he added:

"I think it's unlikely that the government was not aware that the government had sources other than liaison to keep them apprised of events in this country."

U.S. law enforcement and intelligence sources also told The Times on Thursday that the FBI is investigating allegations by Pollard that an American television journalist played a still-undefined role in the espionage scheme.

The journalist, an independent television producer based in Washington, was alleged to have received some documents from Pollard and has been questioned by the FBI, one U.S. official said. The sources said they have no solid evidence that the journalist violat-

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ed any laws and that he may even have been unaware of Pollard's alleged espionage work.

Contacted by phone, the producer denounced the report as "so ridiculous that it wouldn't make a part in a Marx Brothers movie." He declined to say whether he knows Pollard.

"I have nothing whatever to say about the case. Have a happy Thanksgiving," he said before hanging up.

The United States has demanded a full accounting from Israel, but according to another Israeli source, officials here "feel that what the Americans are demanding would reveal lots about how Israeli intelligence operates." Israel is providing "interim" reports on its investigation to the Reagan Administration, and officials here are said to be hoping that, in deference to Peres, Washington will not press for public disclosures that would be considered damaging here.

However, sources close to the investigation here said Thursday that Washington is angry over the sudden recall to Israel of two science attaches before U.S. investigators could question them in connection with the Pollard affair.

The Foreign Ministry refused to comment on the recalls Thursday except to confirm that the two men named did work in the Israeli missions in Washington and New York. However, sources here confirmed that Yossi Yagur, scientific consul at the Israeli mission in New York, and Ilan Ravid, deputy scientific attache in Washington, returned to Israel earlier this week.

Asked if the government would permit American interrogators to question the two men here, a government source who spoke to reporters on condition of anonymity replied, "Whatever the U.S. asks, they will have the full cooperation of Israel." Israel radio reported later Thursday that the government would permit the two to return to the United States for questioning but not in a courtroom.

Another source confirmed that the two attaches reported not to the Foreign or Science ministries, but to the Defense Ministry.

Informed sources here also confirmed that Eitan provides scientific and other information to the Defense Ministry in his capacity as head of the semi-secret LEKEM. The acronym is short for Leshkat Keshet Madan, or the Bureau of

Science Relations.

The Israeli press has identified Eitan variously as the man who recruited Pollard and as his ultimate control agent.

Eitan could not be reached for comment Thursday. The newspaper Maariv quoted him Thursday as saying the accusations "may be a mistake." He added that "the best thing for an intelligence person to do is to stay away from the media."

Eitan is a former operations chief for Mossad, the Israeli equivalent of the CIA, and is famous as the man who subdued the late Adolph Eichmann on a Buenos Aires street in 1960, when a Mossad team traveled to Argentina to capture the Nazi war criminal. Eichmann was brought to Israel where he was tried and executed for his crimes.

Eitan was named anti-terrorism adviser to then-Prime Minister Begin in July, 1978. However, sources here said, he actually wore two hats—one in the terrorism job and the second in intelligence.

The former Mossad man was reportedly recommended for the terrorism post by his friend and close political ally, Ariel Sharon. Sharon later became defense minister in Begin's Cabinet and the

architect of the war in Lebanon. He is trade and industry minister in the current coalition government.

Exactly when he began what one source referred to as a "renegade" intelligence-gathering activity is unclear. The Israeli press has hinted broadly that he did so at Sharon's behest.

Sharon is traveling outside of Israel and could not be reached for comment. However, the independent newspaper Haaretz on Thursday quoted a Sharon aide, who spoke with the minister by telephone, as saying he knows nothing about the Pollard affair.

\$2,500 Payments Alleged

However it started, sources here contend that Eitan's operation ultimately included its own agents and paid informants and that its output was considered valuable enough that he was kept on in his intelligence post after Peres became prime minister and named a new adviser on terrorism.

It was not immediately clear whether Eitan's operating budget came from the prime minister's office or the Defense Ministry. However, the "customer" for the intelligence information he collected was the Defense Ministry, the

sources said.

The sources emphasized that Defense Ministry officials would not have routinely known the original sources of the intelligence input that they got from Eitan. And unless there was something unusual about the intelligence data itself—which might raise a question about where and how it was gathered—there would be no reason to suspect it was gathered against government policy in the United States.

According to FBI testimony in a pretrial hearing in Washington on Wednesday, Pollard collected \$2,500 a month for supplying classified U.S. documents to the Israelis.

Pollard supplied information on the military capacities of Israel's Arab neighbors, according to sources here.

While the United States shares an enormous amount of intelligence information with Israel, it withholds some. For example, said one source, it does not provide details on the capabilities of military hardware it sells to the Arab countries. It also has satellite and other information about the deployment, movements and capabilities of Arab armies that is not regularly shared.